



# Differentiated Compensation IN EDUCATION

A Symposium on Practical Applications & Lessons Learned

## 2009 Symposium Report

*Reflections on Practical Applications & Lessons Learned*

### Introduction

*A growing number of school districts and states are either implementing or investigating differentiated compensation as one of many school-improvement strategies to recognize and reward educators for excellence.*

*Pioneering districts are paving the way in addressing critical issues.*

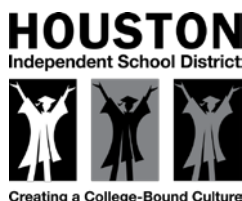
There is no debate that differentiating educators' compensation evokes strong positions. This report summarizes the practical applications and lessons shared at the second annual Differentiated Compensation in Education Symposium held November 9–10, 2009 in Houston, Texas. The Symposium was a two-day convening of 200+ educators and "friends of education" from 24 states. November 9 focused on Texas-specific programs, and November 10 provided a national perspective through presentations by educators from across the country.

The Symposium provided an opportunity for national, state, and district-level education leaders, policy-makers, and representatives from education-supporting organizations to learn from and interact with districts pioneering in the implementation of differentiated compensation. Attendees gained broad, deep, and experience-based information to use as they consider this educational-improvement strategy.

Included in this report are synopses of:

- The view from Washington
- Key learnings by early adopters
- Critical issues reviewed and discussed
- Ideas and resources that surfaced during the Symposium

### Hosts:



### Supporters:



## The View from Washington

*Jo Anderson, Jr., Senior Advisor to the Secretary of Education, United States Department of Education*

Jo Anderson, Jr. addressed “putting teacher pay in context.” Mr. Anderson serves on the USDOE Human Capital team and, as an outgrowth of that work, is engaged in outreach to school districts and local unions to help encourage them to consider sound practices for teacher compensation.

### **Discussion**

With the ultimate goal of improved student learning, especially in high-need schools, it is important to have high-performing teachers and high-performing schools. Research shows us that the teacher is the most important school-level influence on student learning, and that some teachers are more effective than others. In the traditional school model, teachers are too often working in isolation, not learning from one another, and are viewed as interchangeable. To move past this model, consider:

- A school-wide strategy must drive school improvement.
- Professional norms and practices will ensure school-wide instructional coherence.
- Organizational trust is central to improving student learning.
- Teachers’ collaboration and coordination will be key contributors to school-wide improvement.

### **Summary**

Consider the establishment of Professional Learning Communities where teachers can work across classrooms, subjects, and grade levels, where teachers support and extend each other’s learning, and teachers’ roles are differentiated. Organize the work so that people work together and learn together on teams, align training with the needs of the organization, and align pay to the goals of the organization. Create the right mix of extrinsic and intrinsic motivators and redesign pay as part of a larger, systemic strategy with the goal of a pay and career-development system that supports high-performing teachers in a high-performing school.

*“Ultimately, it’s about more than pay. It’s about systemic change in which pay is a critical ingredient. We want to move from teacher isolation, where there is modest evidence of improvement and student learning below what it should be, to teachers experiencing continuous learning, individually and collectively, and where student learning is continuously improving.”* —Jo Anderson, Jr.

## Practical Applications and Lessons Learned by Early Adopters—In Texas

The state of Texas has invested \$868.1 million over six years through the Texas Educator Excellence Grant and the District Awards for Teacher Excellence to assist school districts and campuses in designing and implementing differentiated-compensation programs. Texas activities are producing valuable lessons learned.

### **The Big Picture: Strategic Compensation in Texas**

*Dr. Tammy Kreuz, Director of Educator Quality Initiatives, Institute for Public School Initiatives*

### **Discussion**

Texas districts’ strategic compensation programs are catalysts for change and systemic reform. This presentation reviewed the national context of strategic compensation and why Texas invested in these programs, provided descriptions of Texas reform efforts, and reported on the impact on teacher retention and student achievement.

### **Summary**

While the results are preliminary, they show promise. The intermediate outcomes to date are increasing teacher retention and student achievement.

- Strategic compensation is not a “magic bullet,” but a component of a larger district commitment to supporting teachers and promoting the success of all students.
- Texas has made the largest investment in the nation in strategic-compensation reforms.
- Districts can use a value-added measure, rather than an attainment measure to determine teacher and principal success.

## Lessons Learned from Texas Strategic Compensation Initiatives

*Susan Bauer, Executive Director of Grants, Pasadena ISD*

*Lisa Moczygemba Armstrong, Incentive Grants Specialist, Northside ISD*

*Dr. Chris Hines, Associate Superintendent, Conroe ISD*

*Dr. Frances M. McArthur, Deputy Superintendent for Instructional Services, Bryan ISD*

*Irma Muñoz, Chief People and Systems Officer, IDEA Public Schools*

*Moderator: Heather Zavadsky, Institute for Public School Initiatives*

### Discussion

A panel of educators discussed the design, implementation, successes, challenges, and lessons learned during their first year of strategic-compensation programs. With the recurring emphasis of communication being a critical component of any strategic-compensation plan, other trends and cautions emerged. One panelist stressed that a model does not necessarily produce student academic achievement; rather it is the *intent* with which it is implemented that is impactful. Programs require a tremendous amount of leadership to help everybody understand that this model is only a tool to help teachers dig deeper, to consider student gaps in academic needs on a deeper level, and to help them become more creative, not work harder.

### Summary

Representing several Texas District Awards for Teacher Excellence (D.A.T.E.) districts, recommendations from one year of experience were to:

- Consider hiring a program administrator from outside the educational organization.
- Define the beliefs of the organization and align the program to district goals.
- Communicate thoroughly and regularly.
- Implement professional development early in the planning process, so as not to lose sight of the goal.
- When considering data, utilize not only what you have available, but also acquire what your district needs.

## Campus Voices, Teacher and Principal Perspectives on Strategic Compensation

*Kim James, Principal, Rockport Fulton High School, Aransas County ISD*

*Joann Baird, Librarian, Ballinger ISD*

*Cooper Hilton, Teacher, Hanes Elementary, Irving ISD*

*Billie Briggs, Master Teacher, Cobb Sixth Grade Campus, Galena Park ISD*

*Lanny Mathews, Principal, Deport Elementary, Prairiland ISD*

*Moderator: Elizabeth Barkowski, Institute for Public School Initiatives*

### Discussion

Representing districts from across Texas, panelists discussed: initial hesitance in their organizations based on historical pay systems, an evident increase in teacher collaboration; and established processes that promote teamwork.

Teachers and principals shared perspectives on various aspects of strategic compensation, including staff buy-in, collaboration, professional development, teacher supports, data use, focus on student achievement and grade-level and subject-area instructional alignment. In addition, special attention was given to the importance of campus-level leadership in driving program implementation, supporting teachers, incorporating program goals into the campus culture, providing collaboration time, aligning professional development, and keeping the focus on student achievement.

### Summary

Panelist Kim James summarized the reason that so many districts struggle when launching their programs: failure to “begin with an end in mind.” The panel agreed that engaging in collaborative and thoughtful preparation and planning is the most significant advice for districts considering strategic-compensation plans.

## Strategic Compensation: Addressing Teacher Quality and Shortages, Market Competitiveness, and Improving Student Achievement

*Jerel Booker, Associate Commissioner of Educator, Quality, Standards, and Initiatives, Texas Education Agency*

The keynote presentation for the Texas-focused portion of the Symposium included a presentation about Texas' emphasis on how strategic compensation can address statewide issues, such as teacher quality and shortages, market competitiveness, and the commitment to impact student achievement.

### **Discussion**

Following a discussion on social networking and professionally-oriented online communities and the link to generational differences (Gen X vs. Gen Y), Mr. Booker positioned differentiated compensation in the bigger picture of educational reform. While pay-for-performance programs play a vital role in teacher quality, they can't stand alone in influencing teacher retention and recruitment. It is a challenge to measure the success of these programs and their impact on student achievement, especially with schools that are already high-performing. Texas has invested in the District Awards for Teacher Excellence (D.A.T.E.) as an opportunity to try a new strategy, and tell its story on a national level.

### **Summary**

Differentiated compensation presents an intriguing opportunity, and Mr. Booker proposes that the combination of metrics and strategic efforts will make it effective. With the help of educators, teachers' associations, and the TEA, Texas plans to move forward with a strategic focus on recruitment, content, professional development, business practices, and technology.

## Practical Applications and Lessons Learned by Early Adopters—Across the Nation

### **A Panel Discussion Among Pioneering Districts**

*Carla Stevens, Assistant Superintendent for Research and Accountability, Houston ISD, TX*  
*Phil A. Gonring, Senior Program Officer, Rose Community Foundation, Denver Public Schools, CO*  
*Revonda Johnson, Principal, High Point, Central High School, Guilford County Schools, NC*  
*Jason E. Glass, Director of Human Services, Eagle County Schools, CO*  
*Susan Swanson, Director of Urban Education, Hamilton County Schools, TN*  
*Tammy Kreuz, Executive Director, Texas Teacher Advancement Program, TX*  
*Moderator: Ann Best, Deputy Superintendent for Human Talent, Houston ISD*

### **Discussion**

Panelists presented the defining characteristics of their pioneering differentiated-compensation programs, including practical applications and lessons learned in planning, implementation, and evaluation. Each panelist highlighted the unique facets of the program in their respective districts, such as:

- An individually differentiated compensation system using a combination of teacher evaluations and student-assessment scores to determine teachers' salaries and bonuses while not relying on a single salary schedule for teachers.
- A program replacing the single salary schedule in its entirety and moving from a system of entitlements to a system that links compensation to the district's mission of student learning.
- A comprehensive teacher-incentive program that combines multiple components to recruit and retain highly effective teachers and administrators for the ultimate goal of increasing student achievement in schools with critical needs.
- A fair accountability system with multiple career paths providing teachers with opportunities for career advancement, continuous professional development and performance pay that includes principals.
- An emphasis on professional development and data quality, including a solution to accurately attribute instructional time to students, within one of the nation's largest differentiated-compensation programs.
- An intense effort employing multiple strategies to improve the performance of historically low-performing schools including reconstituting faculties and incentives, free graduate-school tuition, and mortgage loans to attract new talent.

Following the panel presentation, each panelist conducted a breakout session in which Symposium attendees discussed the panelist's program in-depth, with emphasis on how the panelist's lessons learned could be applied in the attendees' home districts.

### **Summary**

Key lessons shared were to:

- Create the ability/capacity to improve and revise your program.
- Budget carefully and creatively each year to fund and sustain the program.
- Communicate, communicate, communicate. There must be an open, constant, strategic flow of information addressing everything from use of data to payout particulars.
- Maintain focus on student outcome goals; and while it's not all about the money, money does matter.
- Accurately attribute teachers' instructional time to students.
- The best solutions were the ones made working together.
- Not focus on the money. Instead, focus on the students to get gains. Proficient is not sufficient.

So far, the programs are more successful in retention vs. attraction. There is no perfect system, so alignment and customization must be heavily considered in the planning process. Consider a combination of market factors (e.g. peer review and evaluations) and results factors (data) in determining awards.

## **Exploring Critical Issues**

Critical issues sessions were designed and offered as “deep-dive” explorations of issues critical to success with differentiated compensation. These sessions featured both presentation and opportunities for dialogue between attendees and the experts conducting the sessions.

### **Engaging Teachers' Unions as Partners—Exploring Collaboration**

*Rob Weil, Deputy Director, Educational Issues Department, American Federation of Teachers*

*Henry Roman, President, Denver Classroom Teachers' Association*

#### **Discussion**

How you communicate with internal and external stakeholders will play a large role in the success of your program. Take time to carefully frame your message by using appropriate language, managing the flow of information to avoid misunderstandings and using facts and sound research.

Union leaders suggested that basic requirements for a successful program must include:

- Labor/management collaboration (ownership).
- An adequate base salary.
- Sufficient and stable funding.
- Credible, agreed-upon standards of practice.
- Support to improve professional practice.
- Incentives available to all teachers.
- Easily understood standards for rewards.
- Necessary support for the program.

#### **Summary**

Collaboration is the key. Any plan must make certain that teachers influence the metrics in an understandable and observable way. Teachers in “variable-pay” plans must see how their performance impacts program outcomes.

## Examining New Rewards and Supports for New Accountability—A Comprehensive Approach

*Dr. Ted Hershberg, Professor of Public Policy and History and Director of the Center for Greater Philadelphia at the University of Pennsylvania, Founder of Operation Public Education*

*Claire Robertson-Kraft, University of Pennsylvania, Associate Director of Operation Public Education*

### **Discussion**

Dr. Hershberg and Ms. Robertson-Kraft are co-editors of *A Grand Bargain for Education Reform* recently published by Harvard Education Press. Research using growth methodologies that track the annual progress of individual students proves what we have always known—teacher effectiveness matters. In fact, teachers are the most important factor affecting the rate of student learning. Attracting the best and the brightest to the teaching profession—and keeping them there—will require a transformed school system. This session involved a discussion of the *Grand Bargain* model for implementing such a transformation.

### Considerations include:

- Evaluation system, with positive and negative consequences, based on multiple measures (value-added analysis, performance rubrics, and mandatory remediation).
- A new system of compensation—not bonuses—that promotes excellence and advancement (career ladders, base and variable pay, and individual and group pay).
- All campus-based staff and administrators are included.

### **Summary**

- Align evaluation with compensation.
- Promote advancement through career ladders.
- Attract and retain the best and brightest through high salaries at the top rungs and the opportunity to reach the higher salary levels more quickly than current salary schedules permit.
- Encourage consistent performance through base and variable pay.
- Enhance collaboration through group variable pay.
- Eliminate salary increases for college courses and advanced degrees that have no impact on student learning.

## Financing and Sustaining Differentiated Compensation—A Bottom-Line Consideration

*April Lee, Team Leader for the Teacher Incentive Fund grant program at the USDOE*

*Philip Gonring, Senior Program Officer, Rose Community Foundation*

*Jason Glass, Director of Human Resources, and Philip Onofrio, CFO, Eagle County Schools*

*Ann Best, Deputy Superintendent for Human Talent, Houston ISD*

### **Discussion**

Differentiated-compensation programs must be adequately funded and sustained over time. This session investigated salary schedule replacement, community participation via taxes, and national and local approaches including the use of public and/or private money including the Teacher Incentive Fund grant program.

### Ingrain, sustain, and maintain:

- If the program is considered an add-on, it's taken less seriously and can easily go away.
- Consider eligibility and rules before awards and payout. Expose the eligibility rules and reasoning.
- Develop a system to test and prevent errors and omissions. Establish a process with an inquiry period. Withhold payment until issues are resolved. Don't hold up payment for all, only those being reviewed.

### Communication plans are critical:

- Develop a strategic communications plan that connects back to the district's educational-improvement model, and informs all stakeholders of the program. Determine strategies to engage and inform parents and the community so that they better understand how their students and teachers are evaluated.

### **Summary**

Have a planned response to data:

- It must connect back to school improvement plan and offer collaboration, support, and professional development as part of the program.
- Consider redistribution of staff to improve practices of teachers and administrators.

Points of guidance:

- Consider program sustainability during initial planning.
- Be collaborative.
- Learn from others who have already gone down this path.

## **Supporting the Successful Rollout of Differentiated Compensation—The “Nuts and Bolts”**

*John Hussey, Managing Director of Innovation, Battelle for Kids*

*Dr. Julie Baker, Senior Director/HISD Team Leader, Battelle for Kids*

*Todd Hellman, Senior Director of Technology Services, Battelle for Kids*

### **Discussion**

Battelle for Kids has been a close partner with school districts—Houston, Fort Worth, Longview and others—providing assistance with program implementation around: evaluation metrics, data management, award calculations, technological solutions, professional development, and communications. Each of these was reviewed in-depth as they apply to successful implementation of differentiated compensation by any size district.

### **Summary**

Pioneering districts repeatedly emphasize the importance of preparation and addressing all key areas in significant depth. Following the establishment of goals, the old phrase—“the devil is in the details”—proves applicable to the success of any compensation program.

- **Alignment:** Design a model that aligns with the problems you are trying to solve or goals you are trying to reach, and connects to your other school improvement efforts in your district.
- **Inclusiveness:** Engage stakeholders from the beginning, and be collaborative throughout the process.
- **Data Quality:** Get the data right, including the right measures of effectiveness. Your internal systems most likely do not have all the data you need to link students and teachers.
- **Communication:** Develop a communications strategy, and do not assume understanding by all stakeholders.
- **Response:** Have a planned response to the data including how measures and information will be used to improve performance.

## **Reviewing Pertinent Research and Implications—Grounding Policy and Practice in Information**

*Dr. Matthew G. Springer, Director, National Center on Performance Incentives (NCPI) and Research Assistant Professor of Public Policy and Education at Vanderbilt University’s Peabody College*

### **Discussion**

Quality research about the impact of policy innovations on resource allocation and student outcomes is a key factor for improving the current differentiated compensation programs and creating programs in the future. Dr. Springer provided an in-depth review of the evolution of differentiated compensation and the impact of pay-for-performance programs on student achievement and teacher mobility. Additionally, current and future research implications were highlighted to emphasize the valuable role research must play in the ongoing dialogue regarding differentiated compensation.

### **Summary**

- Establish the baseline. Consider all stakeholders.
- If individuals that are not fully invested are involved in designing the incentives, the risk is that the program will be poorly designed.
- The rewards in any system must be fiscally significant to create buy-in.

- To date, there are nine studies that have some statistical rigor dealing with strategic compensation in the education field—the best studies come from abroad.
- In early 2010, NCPI will be publishing the results from the POINT experiment in Nashville. These results will be the first from a true randomized control trial in America.

## **Pondering Perceptions on the Front Lines—Teachers and Principals Reflect on Differentiated Compensation and More**

*Megan Allen, Hillsborough County, FL*

*Ward Brossoit, Teacher, Grand Meadow School District, MN*

*Rhonda Peeples, Principal, Georgian Heights Elementary School, Columbus, OH*

*Usamah Rodgers, Principal, Cedar Hill Collegiate H.S., Cedar Hill, TX*

*Jessica Patterson, Master Teacher and Assistant Principal, A.R. Lewis Elementary School, Pickens, SC*

### **Discussion**

Representing a variety of districts across the country, these educators shared their experiences, reflections, and advice specific to: how differentiated compensation affected their practice, initial thoughts about an alternative-compensation approach, use of data to measure student and teacher performance, professional development, collaboration, the role of leadership, and communications. An essential component to a successful model includes two types of measurement, attainment and value-added analysis, to guide instructional decision-making. With sequential steps and multiple tiers of eligibility, programs continue to evolve with carefully considered contingency plans for unused funds. With regular program evaluations, meetings and communications, and individual improvement plans, panelists' existing programs are seeing increased student achievement, improved instruction, increased communication and collaboration among faculty and administration.

### **Summary**

Carefully consider the perceptions, feelings, expertise, and experience of the people on the “front lines.” Collaborative planning and excellent communications are keys to avoiding mistrust and conflict. Just like a good lesson plan, create a detailed plan for differentiated compensation, from launch to payout, with regular communications and interactions with everyone involved.

## **Outcomes and Recurring Themes**

Symposium attendees:

- Investigated the desired and actual links between differentiated compensation and student academic growth with real-time results in current districts.
- Strengthened their ability to address critical issues in their current or proposed differentiated-compensation programs.
- Enhanced the national dialogue regarding the implications of differentiated compensation as an educational improvement strategy.
- Developed relationships and ongoing networking possibilities for sharing of best practices among districts and others involved with differentiated compensation programs.
- Put “pay” in context with other educational-improvement strategies.

Differentiated compensation is just one of the many strategies school districts and states are considering or using to increase teacher effectiveness and student learning. By sharing multiple lessons learned shared, critical themes emerged from the Symposium, including:

- Begin with the end in mind. The initial planning can make or break the program.
- Align and design your program to the improvement plan of the district. Include all key stakeholders in this process.
- Budget carefully, and project financial needs beyond initial funding.
- Be sure that programs are measurable, and that the data sources used to inform these programs are reliable.
- Research has and will continue to be an important lever in determining program success.
- Reward beyond the champions at the grade, group, and individual levels.
- Know the rules. Communicate the purpose in addition to the rewards.
- Have a planned response to the data with a formal plan for payout.

## Reflections

Feedback from Symposium participants was very positive. With intent to better understand current practices and lessons learned, attendees found value in panels, breakout sessions and networking interactions. In response to asking what participants want to know more about, answers ranged from measuring the impact of compensation programs to how to encourage federal and state legislatures to bring more rapid change to the education landscape. The national dialogue regarding differentiated compensation will inevitably increase as more states and districts consider implementing some form of this strategy. Motivated by the availability of federal money to support these programs and by their own drive to help students achieve their full potential, educators and friends of education will benefit from future gatherings of pioneers willing to share lessons learned.

## Attendees

- **Attendees included department of education, higher education, and foundation representatives as well as superintendents, school board and union officials, principals, teachers, and others from school districts in the following states:** Arkansas, Arizona, California, Colorado, the District of Columbia, Florida, Georgia, Illinois, Indiana, Louisiana, Maryland, Minnesota, Missouri, Mississippi, North Carolina, Nebraska, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, and Washington.
- **Also in attendance were representatives from:** The American Federation of Teachers, the Bill & Melinda Gates Foundation, the National Governors Association, the Teacher Incentive Fund, the National Center on Performance Incentives, the U.S. Department of Education, the Center for Educator Compensation Reform, Community Research Partners, The Thomas B. Fordham Institute, The New Teacher Project, The Longaberger Foundation, Charles and Lynn Schusterman Family Foundation, and the National Education Association.

## About the Hosts

### The Houston Independent School District

The Houston Independent School District (HISD) is the largest public school system in Texas and the seventh-largest in the United States. Its schools are dedicated to providing high-quality, relevant educational experiences resulting in all students' being college- and career-ready. ASPIRE (*Accelerating Student Progress. Increasing Results & Expectations*)—the district's educational-improvement and performance-management model—includes the use of value-added analysis to improve student learning and as a component of its ASPIRE Award Program. Through the award program, HISD recognizes the success of its teachers and campuses in accelerating student progress. Strong academic student growth in the 2007–2008 school year led to \$31.5 million in performance pay being disbursed across 15,800 campus-based employees in 2009. Learn more at [www.houstonisd.org/ASPIRE](http://www.houstonisd.org/ASPIRE).

### Battelle for Kids

Battelle for Kids is a national, independent, not-for-profit organization that provides strategic counsel and innovative solutions for today's complex educational-improvement challenges. Battelle for Kids partners with HISD to provide professional development, communications, and technology solutions to support ASPIRE, the use of value-added analysis for school improvement, and the ASPIRE Award Program. In its work with HISD and other districts across the country, Battelle for Kids focuses on harnessing the power of data to improve teaching effectiveness and student progress, inform instructional practice in real time, recognize and reward teaching excellence, and align goals and maximize impact in schools. Learn more at [www.BattelleforKids.org](http://www.BattelleforKids.org).

### The Institute for Public School Initiatives

The Institute for Public School Initiatives (IPSI), created in 2004, focuses on improving the educational pipeline from birth to baccalaureate so that more students are ready to enter and succeed in college. IPSI is uniquely positioned to access outstanding research centers at nine University of Texas universities and six University of Texas health institutions. Partnering with state agencies, school districts, community colleges, universities, and non-profit organizations, IPSI invests in reforms that are tested through real-world applications and evaluated for efficacy to ensure they achieve the highest impact on student and educator performance. Learn more at [www.utsystem.edu/ipsi](http://www.utsystem.edu/ipsi).

---

To learn more and receive information about upcoming events, visit [BattelleforKids.org/Go/DifComp](http://BattelleforKids.org/Go/DifComp).